

We also look for ways to make environmental improvements into sound investments. Cargill spent about \$54 million on environmental projects in 2002. One was a new energy-monitoring system for the oilseed crushing and refinery plants in Europe. A team of dedicated employees, who named themselves the Kilowatt Kings, presented site energy plans and initiated tools such as Aspen modeling and pinch technology, designed to identify energy savings opportunities and process design potential. First-year savings at Cargill's Rotterdam, Netherlands plant were more than \$100,000 from identification of energy distribution, control of use and general awareness of all employees. The three-year target for this plant is \$500,000. We hope these six figure savings will inspire others in the industry to learn from our example and make similar improvements.



**Coming Up Roses** Waste from Cargill's Excel pork processing plant in Beardstown, Ill., in the United States, is being turned into rich compost for local garden and landscaping projects. In 38 rows that stretch 10 feet high and 200 feet long, organic material decomposes into premium compost. For every \$1 of compost sold to a neighboring landscape nursery, the plant saves \$5 in landfill cost. Thanks to composting, the plant has slashed the solid waste it hauls to landfills by 60 percent – or 6 million pounds a year.

**A SAFE Sanctuary** Banks Cargill Agriculture, our agrifood joint venture in the United Kingdom, has joined forces with ASDA, one of Britain's largest supermarket chains, and the RSPB (Royal Society for the Protection of Birds) on a project that benefits farmers, English song-birds and potentially food industry consumers. The SAFE (Safeguarding the Arable Farmed Environment) project involves farmers in Yorkshire who are leaving some of their fields fallow for bird habitat. ASDA pays a premium for wheat from these farmers. In the future, Banks Cargill may preserve the wheat's identity so that ASDA can label products made from the wheat as bird friendly. Then, Britain's avid birdwatchers and customers of ASDA can support the effort by purchasing these products.



**Capturing Energy From Waste** In 1995, the new Excel beef processing facility in Fort Morgan, Colo., domed its waste-water treatment system to contain odor and capture methane. What started as a neighborly gesture has become a financial- and energy-savings success. Now, two more beef facilities are capturing methane produced by the breakdown of waste, and other beef plants will have methane recapture systems by the end of 2004. Cargill expects a two-year payback on its \$12 million investment. At each location, captured methane will cut natural gas consumption by 20 percent, saving \$500,000 to \$1 million a year.

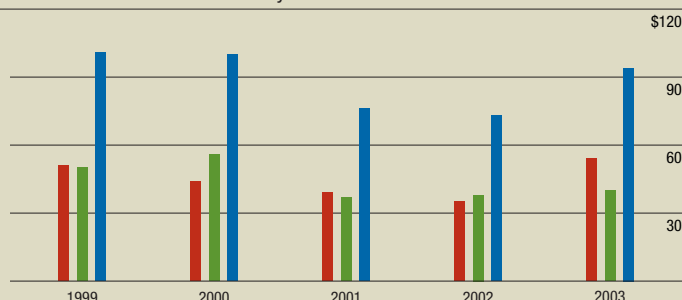


### EHS Capital Spending

Worldwide (million dollars)

Environment Safety Total EHS

Cargill's policy is to design, build, maintain and operate facilities that protect human and physical resources while also protecting the environment.



# PEOPLE PRACTICES

One of our primary measures of success at Cargill is engaged employees. Hiring, motivating, training and retaining the right people is critical to Cargill's ability to deepen relationships with customers and fulfill our promises to the communities we serve.

Our second annual employee engagement survey, translated into 29 languages for employees around the globe, showed that 54 per cent of our people consider themselves engaged employees – meaning that they *stay* with the company, *say* positive things about the company and *support* the company by contributing all of their potential effort. Our results after two years show a positive first step but

“I love the different backgrounds that are drawn to this plant. My whole life, I’ve never been in this kind of environment. There’s incredible team spirit here.”

**Martha McCord** – customer service manager for Excel’s case-ready meat plant in Newnan, Ga.



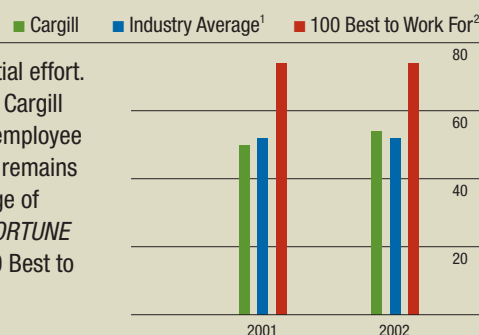
**Easing Acquisition Fears** At the request of a large restaurant customer, Cargill bought the chicken operations of Cuddy Foods, the customer’s sole supplier of chicken for its 1,250 restaurants in Canada. The customer was pleased because it values the commitment to high quality and excellence Cargill brings to its business in other geographies. However, the sale caused consternation among the employees in the acquired company. Through open communication and a commitment to employee development, the newly renamed Sun Valley Foods Canada eased the transition. For the first time, hourly employees received promotions into salaried positions. Quarterly reports from management recognized recent successes, identified new opportunities and invited input from employees. Over time, Cargill earned the respect of its new employees and the community.

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## Employee Engagement

In 2001, Cargill began using an external firm to measure whether our employees consider themselves engaged – meaning that they *stay* with the company, *say* positive things about the company and *support* the company by contributing

all of their potential effort. The chart shows Cargill is improving its employee engagement but remains below the average of companies on *FORTUNE* magazine’s “100 Best to Work For”.



<sup>1</sup>Average engagement score of FORTUNE 500 companies participating in similar surveys.

<sup>2</sup>Average engagement score of companies on FORTUNE magazine’s “100 Best to Work For” list.

there is still a significant gap between our current engagement level and benchmarks like those set by companies on *FORTUNE* magazine's "100 Best to Work For" list. To improve, our business leaders use employee feedback to address key issues at the local level.

We're also creating a safe workplace. For the 14th consecutive year, Cargill improved and distinctly outperformed its industries' averages, in all safety measurements. Our safety index, which measures the frequency and severity of work-related injuries based on the number of hours worked, is at a record low of 1.7. With worker safety ingrained as a core value, we're getting closer to our 2005 goals of zero major injuries and a disability frequency rate of zero.

As a global company, we know our workforce must reflect more closely our markets around the world. Our Valuing Differences Initiative is helping create a work environment where differences don't divide people but do contribute to higher performance, more

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**Family Fridays** Time spent together as a family is becoming increasingly scarce. A program on "The Hyperactive Family," conducted by a family counseling expert, gave employees some strategies for preserving family time in today's heavily scheduled world. The topic was one in an ongoing series of employee seminars called Family Fridays. Employees and their family members can access these seminars by telephone, Internet, audiotape or videotape.

**Diversity in Action** The Excel beef plant in Newnan, Georgia, United States, has become a high-performance operation in large part because of the way it respects and nurtures employee diversity. The largely immigrant staff of 284, representing 18 countries, thrives in a supportive environment powered by teamwork, helpfulness and equality. Although language differences demand more face-to-face communication, the multitude of cultures and backgrounds represented at the plant creates potential for better ideas and has become something to be celebrated. We aspire to this kind of culture at Cargill, with individual employees at every location valuing differences among their colleagues.

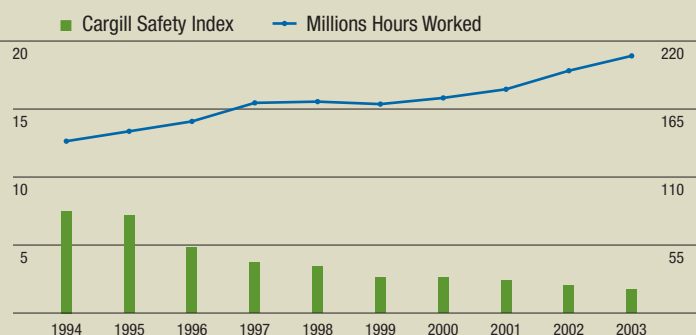


**A Safety Transformation** After acquiring the Cerestar starch business, Cargill targeted the Hammond, Ind., United States, plant for safety improvement. Employees formed a plant safety committee to identify risks and devise solutions. Almost immediately, employee behaviors changed significantly. Requirements to wear helmets and safety glasses were enforced on the plant floor. Use of gloves decreased hand injuries. Hazards were fixed. As a result, the new culture of safety at the plant has delivered more than a year of improved safety performance without a single lost-time accident.



### Cargill's Safety Index

Cargill's overall Safety Index (SI) was a record 1.7 in FY 2003 following 14 consecutive years of improvement. The Cargill SI measures the frequency and severity of work-related injuries based on the number of hours worked.





innovation and a better, more interesting work experience. Cargill scored 86 out of 100 on the 2002 U.S. Human Rights Campaign Corporate Equality Index which rates large American businesses, and U.S. subsidiaries of companies based in other countries. The median score was 71.

To prepare employees for advancement, we are devoting more attention to training and professional development. The number of employees participating in corporate sponsored Web-based and instructor-led training and development programs has nearly tripled from 6,485 to 18,044 in the last two years.

Just as safety improvements reduce expenses for workers' compensation, better people practices engage employees, resulting in reduced turnover and increased productivity.



**Making Diversity an Asset** For three years, the Cargill Meat Solutions diversity team has taught the value of diversity in race, gender, national origin, cultural style and thinking. Already highly diverse, with a large Latino population at every location and more than 40 nationalities represented at two plants in Canada, the business has further expanded its recruiting efforts to include people with disabilities and immigrants from Southeast Asia. Still in the early stages of implementing the Valuing Diversity Initiative, Meat Solutions continues to transform diversity challenges into assets.

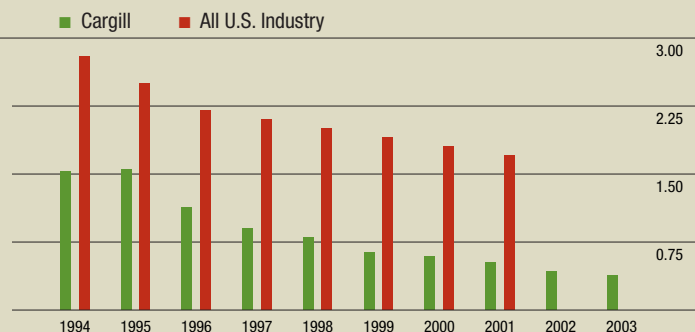
**Leading Economic Progress** At Cargill GPK Efremov, the largest corn-milling plant in Russia, Cargill transformed the workplace to motivate a workforce that grew up under communism. We issued regular paychecks and rewarded those who worked harder. New safety standards allowed the plant to achieve one year with no lost-time accidents. We offered English classes at the plant. And we preserved opportunities for Russians by limiting the number of expatriates to six of the 700 employees. These practices attracted highly educated and motivated Russian professionals. Now, in the region's quickly developing market economy, our Russian business competes on quality, reliability and service.



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#### Disability Frequency Rate (DFR)

Cargill's corporate goal is a DFR of zero. U.S. industry data is only available through 2001.



# COMMUNITY INVOLVEMENT

Part of being a good citizen is giving back to your community with financial resources, time and talent. Cargill contributes more than \$20 million a year – 2 percent of our global pre-tax earnings – to charities and community causes. To have greater impact, we are focusing our corporate resources in three areas that help build sustainable communities and match Cargill's business objectives: ensuring a safe, nutritious, accessible global food supply; promoting innovation in education; and protecting natural resources.

**“I’ve never seen a company so involved in a comprehensive way. ... Cargill is rewarding schools and teachers for good performance.”**

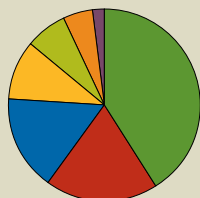
**Joe Nathan** – senior fellow and director of the Center for School Change, Hubert H. Humphrey Institute of Public Affairs – University of Minnesota



**Prepare for Success** To prepare socio-economically disadvantaged children for success in school, work and life, the Cargill Foundation created Schools First in partnership with the University of Minnesota's Center for School Change. Aided by our \$1.2 million contribution, Schools First works with 11 Minneapolis-area schools to produce measurable improvement in students' reading and math. The program also focuses on collaboration between schools and families. Results to date are encouraging, as the majority of participating schools are showing measurable improvements over their district counterparts.

## Cargill's FY 2003 Charitable Giving

In fiscal year 2003, Cargill contributed more than \$22 million to nonprofit organizations around the world.



## Funding Categories

Schools/Education	41%
Community Development/Civic	19%
Health/Human Services	16%
Food/Hunger	10%
Arts/Culture	7%
Children/Youth	5%
Environment	2%

## Funding Sources

Giving by Cargill businesses in local communities	47%
Corporate and Foundation giving <sup>1</sup>	38%
Employee giving and recognition through corporate programs	15%

<sup>1</sup>Includes giving by the Cargill Foundation in Minneapolis. This amount does not include a \$12 million gift by the corporation to the Cargill Foundation endowment in 2003.

- **Ensuring a safe, nutritious, accessible global food supply.** Food is our business. Given our purpose of being the global leader in nourishing people, we are committed to achieving meaningful progress in this area.
- **Promoting innovation in education.** Since today's students are tomorrow's leaders, education directly affects our business. Our primary interest lies in innovation, such as education reform, technology in schools and partnerships with higher education.
- **Protecting natural resources.** As a major user of water in both our industrial and agricultural plants, Cargill's businesses clearly affect the environment. We are pursuing responsible stewardship of natural resources.

To organize community involvement activities, many of our locations have established Cargill Cares Councils, formalized groups of



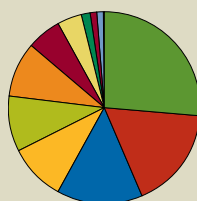
**Protecting Water Quality** Since 1995, Cargill employees have participated in more than 250 water-education and volunteer projects through the Water Matters program. Water Matters is one way that Cargill is demonstrating its commitment as a responsible steward of our water resources. Recently, Cargill was the lead sponsor for the Big River Cleanup. About 200 Cargill employees from eight Minneapolis business units collected 25,000 pounds of trash along an eight-mile stretch of the Mississippi River, a major transportation route for U.S. agricultural exports.

**Combining Forces** Grupo Alcon, the Cargill business in Honduras, and its 1,600 employees share a vision of improving the health of their communities. Responding to a food crisis, the company worked with the World Food Programme to donate \$50,000 worth of white corn that employee volunteers distributed to children in public schools. The company also adopted an orphanage, providing financial support and the services of a Cargill physician, while employee volunteers donated time to the children.



**Built by Employee Hands** Since forming a partnership with Habitat for Humanity International in 1992, Cargill has contributed more than \$1.5 million to build or renovate more than 200 homes in Cargill communities in 16 countries. The collaboration goes beyond financial support. Employees from around the world volunteer their time to the cause, like the 17 employees from three businesses in China who recently dedicated more than 200 hours to build homes for deserving families.

**FY 2003 Charitable Giving by Cargill Business Platforms to Local Communities**



Meat Solutions	\$2,163,000
Food Ingredients North America	1,412,000
Fertilizer/Salt	1,186,000
Ag Producer Services	786,000
Grain and Oilseed Supply Chain	767,000
Retail Food Service Solutions	761,000
Risk Management and Financial Solutions	475,000

Food Ingredients Latin America	339,000
Food Ingredients Europe	123,000
Steel	91,000
Food System Design	91,000
Horizons	13,000
<b>Total<sup>1</sup></b>	<b>\$8,207,000</b>

<sup>1</sup>Includes \$1.98 million in product donations.



employees that coordinate volunteer programs and direct resources to meet community needs. We have more than 200 of these employee-run councils across Asia, Africa, Central America, Europe, and North and South America. Now, we are working to establish a network to share best practices and expand the councils to other locations.

With “enriched communities” as one of Cargill’s four measures of performance, some Cargill businesses are including community involvement as part of their annual business plans. Bottom line: Managers are being held accountable for how their businesses affect their communities. We have created, and are now piloting, an “enriched communities” measurement index to help locations and businesses in every country gauge performance.



**Ukraine Partnership** In Kutsivka, Ukraine, a Cargill grain elevator supports the village school. We donated books and computers and paid the salaries of teachers at the village nursery and grade schools. Our employees donated the labor for new windows, a heating plant and other renovations financed by Cargill.



**Tackling Hunger** Joining with Zero Hunger, a program initiated by the Brazilian government, Cargill promotes better nutrition for impoverished rural families in the country. We are targeting assistance to the 57,000 children involved with “Fura Bolo” – a Cargill-designed reading program created in 1999 to help improve literacy in Brazil. To improve nutrition, we send home a food kit every 60 days with information on food safety and preparing good meals. To encourage family agriculture, we supply seeds and growing tips for a family vegetable garden.

**Campus Connections** Since 1996, Cargill’s Higher Education Initiative has targeted 20 U.S. universities for \$7.1 million in donations. For students, benefits include scholarships, leadership development programs and opportunities to study abroad in China, Britain and Australia. For faculty, the support finances internships, fellowships and new technology. For Cargill, a close relationship with key schools and their students, faculty and alumni provides access to the best thinking in fields vital to our businesses.



#### FY 2003 Charitable Giving by Cargill Businesses – Top 10 in Dollars Contributed

Excel Beef	\$905,000	Cargill Grain and Oilseed Supply Chain North America	368,000
Cargill Phosphate Production	786,000	Emmpak	313,000
Cargill Sweeteners North America	735,000	Horizon Milling (Joint Venture)	295,000
Cargill Animal Nutrition	577,000	Sunny Fresh Foods	279,000
Cargill Turkey Products	429,000	Salt	266,000

Cargill is committed to being a global leader in corporate citizenship by nourishing the people and possibilities that reside in communities where we do business.

Citizenship includes:

- > Responsible business practices
- > Promoting a sustainable environment
- > Engaging our workforce and treating them with respect
- > Providing a measurable, positive impact in our communities

The Cargill Citizenship Committee provides leadership and direction, monitors performance and allocates resources in the area of global citizenship.

#### **The Cargill Citizenship Committee:**

**Ron Christenson** – Corporate Vice President and  
Chief Technology Officer  
Platform Leader – Cargill Steel; Cargill Fertilizer/Salt  
Corporate Function Leader – Plant Operations; Food Safety;  
Environment, Health and Safety

**Richard Frasch** – President, Cargill Animal Nutrition  
Platform Leader – Cargill e-Business

**John Geisler** – Corporate Vice President  
Platform Leader – Cargill Food Ingredients – North America;  
Cargill e-Business  
Corporate Function Leader – Supply Chain Management

**Rob Johnson** – Senior Vice President, Director of  
Corporate Affairs  
Chair, Cargill Citizenship Committee  
Vice President, Cargill Foundation

**Dave Larson** – Executive Vice President  
Corporate Leadership Team  
Platform Leader – Cargill Ag Producer Services;  
Cargill Meat Solutions; Cargill Retail Food Service Solutions

**John March** – Corporate Vice President  
Platform Leader – Cargill Grain and Oilseed Supply Chain;  
Cargill Food Ingredients – North America

**Grace Musilek** – Vice President, Corporate Compliance Manager  
and Assistant General Counsel

**Bonnie Raquet** – Corporate Vice President, Public Affairs

**Frank Sims** – Corporate Vice President, Transportation  
and Product Assurance  
Vice President, Cargill Foundation

**Nancy Siska** – Corporate Vice President, Human Resources

**Lee Skold** – Senior Vice President, Retail Food Service Solutions  
Function Leader – Strategic Account Management

#### **Staff:**

**Mark Murphy**  
Secretary, Cargill Citizenship Committee  
Executive Director, Cargill Foundation

**Michelle Grogg**  
Senior Program Officer, Cargill Citizenship Committee



# vision

Our **purpose** is to be the global leader in nourishing people.

Our **mission** is to create distinctive value.

Our **approach** is to be trustworthy, creative and enterprising.

Our **performance measures** are engaged employees,  
satisfied customers, enriched communities and profitable growth.



For more information about Cargill's  
citizenship performance, visit our  
Web site at [www.cargill.com/citizenship](http://www.cargill.com/citizenship)  
or e-mail [citizenship@cargill.com](mailto:citizenship@cargill.com).



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